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For Immediate Release:

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916-445-4571

Governor Schwarzenegger Requests Major Disaster Declaration from President Bush

Today, Governor Schwarzenegger sent the following letter to President Bush, requesting the declaration of a major disaster for 31 California counties that suffered catastrophic losses due to the extreme cold weather in January, 2007. Please see attached documents for more information.

February 2, 2007

Through: Ms. Nancy Ward, Regional Director

Federal Emergency Management Agency Region IX

111 Broadway, Suite 1200

Oakland, California 94607-4052

The President

The White House

Washington, DC 20500

Dear Mr. President,

California has suffered catastrophic losses due to recent record setting freeze conditions. As a result of these devastating events, I request that you declare a major disaster for Alameda, Amador, Calaveras, El Dorado, Fresno, Glenn, Imperial, Kern, Kings, Lake, Los Angeles, Madera, Marin, Mendocino, Merced, Monterey, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Solano, Stanislaus, Tulare, Ventura, Yolo and Yuba, as described under the provisions of Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§5121-5206 (Stafford Act) and as implemented by 44 CFR §206.36.

As you may know, on January 11, 2007, an arctic air mass moved into the state and extreme cold air conditions pushed nighttime temperatures to record and near record lows throughout the state for the next five days. To provide immediate relief to populations affected by these events, I directed state agencies to make state facilities, particularly California National Guard armories

and California Department of Food and Agriculture (CDFA) County fairground facilities, available to local agencies for use as warming centers. The state also contacted agricultural associations to ensure that growers were aware of cold weather, so that appropriate protective actions could be taken when possible.

In response to these dire events, I took swift action and directed the execution of the State Emergency Plan. In accordance with Section 401 of the Stafford Act, on January 12, 2007, I proclaimed a state of emergency for all 58 California counties. In addition, I issued additional proclamations to specifically address the impacts of the freeze on the agricultural industry, small businesses and individuals in an effort to expedite federal assistance to the counties that were hardest hit. I would like to thank U.S. Department of Agriculture (USDA) Secretary Mike Johanns and Administrator Steven Preston of the U.S. Small Business Administration (SBA) for their prompt response to my requests for assistance for our farmers and small businesses.

In spite of the significant efforts to protect crops, agricultural communities in California have sustained substantial crop losses and unknown long-term tree damage, estimated to be in excess of \$1.14 billion (see Enclosure A). Damages are particularly evident in our citrus belt which was similarly devastated by extreme cold weather in 1990-1991 and 1998-1999. To date, the most severely affected crops include, but are not limited to: Navel and Valencia oranges; lemons; broccoli; lettuce; avocados; strawberries; artichokes; bell peppers; sugar beets; lemon grass; sugar cane; oriental vegetables; hothouse tomatoes; and nursery stock. The effects of the freeze have been far-reaching and estimated losses are expected to rise as damage assessments continue statewide.

With the loss of a major portion of our agricultural crop, thousands of farmworkers and their families in the impacted counties have been displaced due to job loss and the accompanying loss of income. While data is still being collected, unemployment due to this freeze is expected to exceed the levels experienced during the 1990-91 Freeze (FEMA-894-DR) and the 1998-99 Citrus Freeze (FEMA-1262-DR). Unemployment is expected to continue to rise in the coming months as emergency harvesting and salvage operations cease. Many displaced farmworkers are already seeking assistance for food, clothing, housing and other unmet needs because of lost income. Several counties have formed freeze assistance coalitions to address the immediate and long-term needs of the hardest hit communities.

Given that some of the counties most severely affected by the freeze are also among the most economically disadvantaged in the state, increased unemployment is significantly straining the resources of local social service agencies. Food banks in affected areas are experiencing a significant increase in the number of people seeking food assistance which has rapidly depleted their supplies. Food bank providers estimate that the freeze will increase emergency food needs by \$17 million to \$30 million over the next twelve months. Additionally, ancillary businesses and industries, including truckers, agricultural equipment dealers and suppliers and restaurant owners and retailers dependent on agribusinesses, will sustain devastating economic losses as a direct result of the freeze. The residual effects of the freeze could linger for months, if not years, in the hardest hit communities, extending over several crop seasons. This is a serious blow to California's agricultural economy, considering that the citrus industry in our Central Valley alone

employs more than 12,000 workers and directly contributes an estimated \$11.4 billion to the state's economy.

To maximize all currently available assistance to those who have lost, or will lose their jobs, due to the freeze, I directed the establishment of 20 one-stop assistance centers in the most heavily affected areas. Further, I issued Executive Order S-03-07 waiving the one week waiting period for unemployment insurance eligibility. Several state and local agencies are directly supporting these one-stop centers by providing consultation, program application and referral services. In addition, a core group of state agencies are actively participating in a freeze recovery committee. In an effort to address any freeze-related issues, including unmet needs, the committee is convening several times a week to share information and to strategize about solutions. I anticipate that the state will contribute more than \$20 million to address needs that cannot be met by currently available federal assistance programs, including those included in this request, as well as those previously requested from USDA and SBA.

According to the National Weather Service, the January 2007 freeze resulted from the coldest air mass to hit our state since the December 1998 freeze, and in many areas the temperatures fell below those experienced during the 1998-99 freeze. The January 2007 freeze was also unusual for the duration of low temperatures each day and for the depth of the cold air mass, both of which contributed to the massive agricultural losses. As a result, the scope of this freeze is greater than California experienced in 1998-99. In that event, eight counties were particularly hard-hit and crop loss estimates neared \$700 million. As illustrated in Enclosure A, the current freeze event has impacted coastal and southern counties more severely than the 1998-99 freeze. In 1998-99, losses for the counties of Imperial, Los Angeles, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara and Ventura were approximately \$84 million. The 2007 estimated losses for these eight counties exceed \$500 million.

As of February 1, 2007, California has received 2,787 unemployment insurance (UI) claims from individuals whose employment has been directly affected by this freeze disaster (see Figure 1) and this number has been increasing daily as harvesting, packing and shipping work is halted and the number of individuals left without work is likely to exceed the levels experienced as a result of the 1990-91 and the 1998-99 freeze disasters. It is important to note that most of California's agricultural labor force is not considered "migrant." This is particularly true of the citrus industry. As such, most families rent or own homes near their place of employment and live there year round. During the "down" times of the citrus harvest and processing cycles, some individuals may take on other types of agricultural work, but many file for unemployment during these short durations in the work cycle. As a result, many of these workers will quickly exhaust any eligible UI and will need a resource such as the federal Disaster Unemployment Assistance (DUA) Program. In addition, the self-employed and those employees who work for businesses dependent on the agricultural industry, are also suffering adverse effects. Without DUA, many will be without any income now, and in future months, due to a lack of qualifying quarters of work. In the agricultural heartland of California, often two or more individuals in a family are employed by growers, contractors, or businesses relative to the agricultural industry. In previous California disasters similar to the January 2007 freeze and where DUA was implemented, 40 percent of those who filed were found eligible for DUA. In the 1998-99 freeze, EDD processed over 4,000 eligible DUA claims.

Several of the federal programs that were of benefit to those impacted by the 1998-99 freeze are no longer available or have been substantially modified. The Mortgage and Rental Assistance program available through the Federal Emergency Management Agency (FEMA) prior to implementation of the Stafford Act was of great help in keeping those whose incomes were substantially reduced by the freeze in their homes. Also, Job Training Partnership Act funds, formerly available from the U.S. Department of Labor (USDOL), which were used to fund disaster-related job programs, may not be available in the same amounts as in 1998-99. California EDD is working with the USDOL to identify the maximum funds available for disaster relief that could be used to employ displaced workers.

The State of California has a Hazard Mitigation Plan that was approved by FEMA in November 2004. We aggressively and proactively pursued mitigation activities in the affected communities, including efforts to mitigate crop losses as a result of the freeze. Following the 1998-99 Citrus Freeze (FEMA-1267-DR), the state successfully partnered with California Citrus Mutual to expand the number of weather monitoring stations from seven to 22 in the San Joaquin Valley. This expanded system provided local growers telephone access to detailed information on temperatures during critical nights so that effective frost protection measures could be taken. Based upon the crop loss data from 1998-99, this project helped avoid more than \$6.4 million in estimated annual losses.

Given all the above facts, I have determined that this incident is of such severity and magnitude that effective response is beyond the capabilities of the state and the affected local governments and that supplementary federal assistance is necessary. I am specifically requesting Unemployment Assistance, Food Coupons and Distribution, Food Commodities, Crisis Counseling, Legal Services and any other Stafford Act programs, as appropriate for those who have lost employment and income as a result of the freeze for the counties cited above. I also intend to request assistance under the low-income migrant and seasonal farmworker grant program, pursuant to Title 42 US Code Section 5177a, in order to address needs that do not fall under the authority of the aforementioned programs.

I certify that for this major disaster, the state and local government will assume all applicable non-federal shares of costs required by the Stafford Act. Total expenditures are expected to exceed \$28.6 million, in accordance with the table in Enclosure B. I have activated the California Disaster Assistance Act in all 58 counties of the state to assist local agencies with the reimbursement of costs related to emergency response measures, damage to public facilities and the operation of recovery centers. In addition to current recovery efforts, California has ongoing recovery operations for 20 federally declared events (including Fire Management Assistance Grant declarations) and 22 state-only proclaimed events that have occurred since January 1, 2005. Unless the situation changes dramatically, I will not be requesting activation of the Stafford Act Public Assistance Program.

I have designated Henry R. Renteria, Director of the Office of Emergency Services, as the State Coordinating Officer for this request. He will work with FEMA to complete damage assessments and may provide further information or justification on my behalf. Thank you for your consideration of this request, during this time of crisis for our state.

Sincerely,

Arnold Schwarzenegger